

Message Text

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SUBJ: US-ROMANIAN JOINT STATEMENT ON DEVELOPMENT OF
AGRICULTURAL TRADE

REF: (A) STATE 187733, (B) STATE 183610, (C) BUCH 3811,
(D) STATE 174732, (E) STATE 146593

1. FOLLOWING IS TEXT OF MINAG AGROBUSINESS LIST RECEIVED
FROM MR. BURCA WHO LABELED IT AS ANNEX TO DRAFT AGRICUL-
TURAL AGREEMENT:

BEGIN TEXT. IN VIEW OF THE DEVELOPMENT OF AGRICULTURAL
COOPERATION WITH THE U.S., THE MINISTRY OF AGRICULTURE AND
FOOD INDUSTRIES PROPOSES THE FOLLOWING JOINT UNDERTAKINGS:

A. CONSTRUCTION AND EQUIPPING OF A SLAUGHTERHOUSE AND
FACTORY FOR SEMI-PROCESSED CANNED GOODS AND HAM SUITABLE
FOR EXPORT TO THE U.S. IT IS PROPOSED THAT CONSTRUCTION
AND OUTFITTING BE ACCOMPLISHED WITH TECHNICAL ASSISTANCE
AND EQUIPMENT OF ATLANTA CORPORATION, AND THAT PAYMENT
BE MADE IN COUNTERPART FUNDS REALIZED THROUGH DELIVERY OF
THE PLANT'S OUTPUT.

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B. ESTABLISHMENT OF A FROZEN FRUIT AND VEGETABLE PLANT FOR

PRODUCTS OF DEMAND ON THE U.S. MARKET. TECHNICAL ASSISTANCE AND EQUIPMENT WOULD BE PROVIDED BY THE PROPOSED AMERICAN PARTNER, AMTRACO, AND PAYMENT WOULD BE MADE THROUGH DELIVERY OF THE FROZEN PRODUCTS.

C. ESTABLISHMENT OF A MODERN GRAPE PROCESSING AND WINE BOTTLING CENTER FOR PRODUCTION OF WINES SUITABLE TO THE U.S. MARKET. THE AMERICAN PARTNER (UNSPECIFIED) WOULD TAKE RESPONSIBILITY FOR TECHNICAL ASSISTANCE AND EQUIPMENT INSTALLATION, AND PAYMENT WOULD BE MADE THROUGH FUNDS GENERATED FROM SALES OF THE FINISHED PRODUCTS.

D. CONSTRUCTION AND EQUIPPING, IN COOPERATION WITH CENTRAL SOY, OF PLANTS FOR MANUFACTURE OF PROTEIN CONCENTRATE, FODDER CONCENTRATE FROM SOY BEANS AND SUNFLOWER SEEDS, MILK SUBSTITUTES, COMBINATION FODDERS, PRESTARTERS, STARTERS, CHICKEN FEED, ETC., WITH PAYMENT MADE THROUGH DELIVERY OF THE FINISHED PRODUCT.

E. SURFACE WATER AND DRAINAGE MANAGEMENT IN THE CALMATUI ZONE AND THE SIRET-IALOMITA CANAL. THIS PROBLEM WAS DISCUSSED WITH MR. CASEY, DIRECTOR OF THE U.S. EXPORT-IMPORT BANK, ON JANUARY 4, 1975.

F. CONSTRUCTION, IN COOPERATION WITH FMC INTERNATIONAL, CALIFORNIA, OF FACILITIES FOR THE PRODUCTION OF:

- PECTINE FROM APPLES;
- CANNED FRUITS AND VEGETABLES FOR INFANTS;
- LACTOSE;
- DEHYDRATED MILK FOR INFANTS;
- STARCH AND GLUCOSE (14,000 TONS PER YEAR TOTAL CAPACITY, INCLUDING 2,000 TONS GLUCOSE).

G. CONSTRUCTION, IN COOPERATION WITH A U.S. FIRM (UNSPECIFIED) OF A PLANT FOR FLAX SEED PROCESSING (240 TONS PER 24 HOURS) AND SUNFLOWER SEEDS (180 TONS PER 24 HOURS). THE PLANT WOULD INCLUDE A SECTION FOR THE MANUFACTURE OF POWDERED AND GRANULATED SOY PRODUCTS. THE FACILITY FOR PRODUCTION OF SUNFLOWER SEED OIL SHOULD HAVE A CAPACITY OF 400 TONS PER 24 HOURS. END TEXT.

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2. WE ARE NOT CLEAR HOW BURCA DESCRIBED TO FAS WHAT HE WOULD PROVIDE, BUT, QUITE APART FROM QUESTION AS TO WHETHER DOCUMENT IS APPENDIX TO WG MINUTES OR ANNEX TO AGREEMENT, DRAFT TEXT CONTAINED IN PARA 1 DEPARTS SUBSTANTIALLY FROM OUR PRECONCEPTION. WE HAD ENVISAGED THAT TEXT WOULD SPECIFY PROJECTS OPEN TO U.S. PARTICIPATION ON COMPETITIVE BASIS, WHEREAS FOUR OF SEVEN ARE TIED TO ONE FIRM. IN OUR VIEW

THIS LESSENS UTILITY OF DRAFT, ALTHOUGH PERHAPS FACT THAT GOR APPEARS TO BE COMMITTING ITSELF TO NEGOTIATIONS WITH FIRMS SPECIFIED CAN BE REGARDED AS OF SUFFICIENT VALUE TO HAVE IT IN WRITING.

3. ON MONDAY WE HOPE TO HAVE DISCUSSION WITH MINAG OFFICIALS. IN THAT MEETING WE WILL MAKE CLEAR OUR CONCEPTION OF AGRIBUSINESS COOPERATION TEXT AS APPENDIX TO WG MINUTES. WE WILL ALSO SEEK TO OBTAIN FULLER GOR INTERPRETATION OF INDIVIDUAL PROPOSALS. FOR THAT MEETING IT WOULD BE HELPFUL IF WE COULD HAVE WASHINGTON REACTION TO DRAFT SO THAT WE CAN PASS ON COMMENTS.
BARNES

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